

May 1958

**Sino-Soviet Bloc Credits and Grants to, Trade with, and Non-Military
Technicians in Free World Underdeveloped Countries**

The following data indicates the extent and distribution of Sino-Soviet Bloc credits and grants to Free World underdeveloped countries. In the period 1 January 1954 through 30 April 1958 the Sino-Soviet Bloc extended over \$2.0 billion in credits and grants, of which about \$400 million was for the purchase of arms. During 1957 an estimated 1,600 Bloc industrial, agricultural and other professional specialists were working in the underdeveloped countries.

Since 1955 the Soviet Bloc has undertaken approximately 140 industrial projects in the underdeveloped countries of the Free World. It is estimated that at least 30 percent of these projects have been completed and are currently in operation, 40 percent are in various stages of construction, and about 12 percent are still in the survey stage. Status of the balance cannot be determined from available information. Bloc industrial projects constructed or in operation in the underdeveloped countries include not only complete installations such as bridges, cement plants, sugar refineries, glass and textile factories but also the undertaking of petroleum exploration programs, various phases of electrification projects and the supply of capital equipment. Many of the industrial facilities which have been completed are being operated by Bloc specialists who are training local personnel to take over management and operation of the plants at some later date. (See tables below)

Sino-Soviet Bloc Credits and Grants to
Free World Underdeveloped Countries

1 January 1954-30 April 1958

				<u>Million US \$</u>
<u>Recipient</u>	<u>Total Sino-Soviet Bloc</u>	<u>USSR</u>	<u>European Satellites</u>	<u>Communist China</u>
Afghanistan	161	No	breakdown	available
Burma	42	38		4
Cambodia	22			22
Ceylon	60	30	4	26
Egypt	505	175	330	
Iceland	5		5	
India	302	268	34	
Indonesia	120	100	9	11
Nepal	13			13
Syria	294	223	71	
Turkey	10	10		
Yemen	49	33		16
Yugoslavia	464	348	116	
Latin America	8		8	
TOTAL	2,055			

**Estimated Sino-Soviet Bloc Nonmilitary Technicians
in Free World Underdeveloped Countries**

<u>Country</u>	<u>Total Sino- Soviet Bloc</u>	<u>USSR</u>	<u>Other Bloc</u>
Afghanistan	455	420	35
Argentina	50		50
Bolivia	a/	a/	
Brazil	a/		a/
Burma	60	50	10
Cambodia	30	15	15
Ceylon	5	5	a/
Chile	a/	a/	
Egypt	360	50	310
Greece	10	5	5
India	280	180	100
Indonesia	105	5	100
Iran	5	a/	
Mexico	a/		
Paraguay	a/		a/
Syria	110		110
Sudan	10		10
Turkey	15	a/	15
Yemen	55	20	35
Yugoslavia	50	40	10
TOTAL	1,600	795	805

a/ Five or less believed to be present during the period.

**Sino-Soviet Bloc Trade with Underdeveloped Countries of the Free World
by Commodity Groups, 1953 and 1956**

	<u>1953</u>	<u>1956</u>
<u>Sino Imports</u>	\$268,970	\$667,920
of which:		
Grain Materials	68%	55%
Food Products	25%	30%
Manufactured Goods	4%	9%
Other Items	3%	6%
<u>Sino Exports</u>	\$263,360	\$714,660
of which:		
Manufactured Goods	23%	38%
Food Products	48%	22%
Machinery and Transport Equipment	14%	14%
Grain Materials	7%	8%
Fuels	3%	11%
Other Items	5%	7%

Trade of All Free World Underdeveloped Countries with Western
Developed Countries, 1/ The United States and
the Sino-Soviet Bloc, 1954-1956

	<u>Million US \$</u>		
	<u>Western Developed Countries</u>	<u>United States</u>	<u>Sino- Soviet Bloc</u>
1954	32,890	11,350	860
1955	35,240	12,040	1,230
1956	38,660	13,510	1,460

✓ Includes the following countries: Australia, Austria, Belgium-Luxembourg, Canada, Denmark, West Germany, France, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom, United States.

**Trade with Sino-Soviet Bloc and the US as a Percent of Total Trade
for Selected Underdeveloped Countries, 1955-1957**

	1957		1956		1955	
	Bloc	US	Bloc	US	Bloc	US
Afghanistan	40 ^{a/}	NA	NA	NA	NA	NA
Burma	10 ^{b/}	NA	16	1	12	1
Egypt	38	6	23	9	15	10
Greece	8	18	6	15	4	17
Iran	15	13	12	24	11	22
Iceland	34	12	28	15	24	18
Syria	14	9	5	6	2	8
Turkey	13	29	17	21	20	29
Yugoslavia	22	24	23	20	10	25

^{a/} Trade statistics for Afghanistan are not published but it is estimated that approximately 40 percent of Afghanistan's trade is with the Bloc.
^{b/} Estimate based on incomplete data for 1957.

Private and Governmental Economic Assistance to Underdeveloped Countries

In the 2½ year period from July 1, 1955-December 31, 1957 nearly \$2.0 billion in credits and grants for both economic and military purposes was extended to Free World underdeveloped countries by all Eloc countries combined. All types of U.S. governmental long term loan and grant commitments to the underdeveloped areas during this period amounted to about \$8 billion.* Moreover, U.S. and West European financial institutions, as well as other Free World governments also provided loans and grants in various forms to underdeveloped countries (including dependencies) estimated at about \$2.5 billion for this period.** Total Free World aid to all underdeveloped countries of the Free World, thus was over \$10 billion for the 2½ year period ending in December 1957.

The bulk of Free World grants and credits went to relatively few underdeveloped countries. The major portion of U.S. mutual security assistance went to nations associated with the West in defence arrangements. South Korea, Viet Nam, and Taiwan alone received about \$3.0 billion in U.S. governmental military and economic assistance during the 2½ year period. Loans and grants provided by other major Free World

* Including both economic and military aid under the Mutual Security Program, PL 480 assistance, and Export-Import Bank loans.

** Loans and grants from Western governments other than the U.S. are estimated at about \$2 billion for the period July 1, 1955-December 31, 1957. Loans from Western financial institutions, primarily the IBRD, are estimated at about \$500 million.

countries for the most part were also distributed among relatively few countries. Excluding the U.S., more than 90 percent of Western governmental economic assistance was provided by the United Kingdom and France; but virtually all of these funds were made available to the British or French territories.

Economic development in some underdeveloped countries has also been fostered to a certain extent by Free World private investment. U.S. private investment in the underdeveloped countries during this 2½ year period is estimated at about \$1.5 billion. Most of the private investment activity, however, was in Latin America, which received about 50 percent of the sum, and in the petroleum producing countries of the Middle East. Western private investment in all of the countries of Africa and Asia, and the Middle Eastern countries producing no petroleum, probably amounted to no more than \$300 million during the past 2½ years.